

## BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over Base Year Doubled	
						Amount	Percent
FED	\$105,400	\$105,400	\$105,400	\$105,400	\$105,400	\$0	0.0%
PR	<u>3,026,000</u>	<u>3,198,300</u>	<u>3,162,400</u>	<u>3,162,400</u>	<u>3,162,400</u>	<u>136,400</u>	4.5
TOTAL	\$3,131,400	\$3,303,700	\$3,267,800	\$3,267,800	\$3,267,800	\$136,400	4.4%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
PR	9.50	7.50	9.50	9.50	9.50	0.00

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$128,900
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**Governor/Legislature:** Provide an increase of \$63,400 in 2015-16, and \$65,500 in 2016-17 for adjustments to the base budget as follows: (a) \$44,900 annually for full funding of continuing salaries and fringe benefits; (b) \$16,600 annually for reclassifications of three staff; and (c) \$1,900 in 2015-16 and \$4,000 in 2015-17 for full funding of lease costs and directed moves.

#### 2. PAYMENT OF AIDS IN LIEU OF TAXES ON LAND PURCHASED FROM DEPARTMENT OF NATURAL RESOURCES [LFB Paper 155]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$43,400	- \$35,900	\$7,500

**Governor:** Provide \$21,700 PR annually for payments in lieu of taxes. Further, specify

that, if any land purchased by the Board of Commissioners of Public Lands (BCPL) from the Department of Natural Resources (DNR) was not at the time of purchase subject to assessment or levy of a real property tax, the Board shall make annual payments to the appropriate taxation district from the BCPL general program operations appropriation in the manner required under s. 70.114 of the statutes (the provision governing DNR aids in lieu of property taxes payments on lands which DNR has acquired since 1992).

Under current law, land that DNR owns is not subject to property taxes. Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. For lands purchased after July 1, 2011, estimated value means either the lower of the equalized value of the property in the year prior to purchase by DNR or the purchase price (instead of the purchase price for pre-July, 2011 purchases). In cases where the property had been tax exempt in the year prior to acquisition, or enrolled in the forest crop law (FCL) or managed forest law (MFL) program at the time of purchase, estimated value means the lesser of either the purchase price or an amount that would result in a payment of \$10 per acre.

BCPL currently makes payments in lieu of taxes on land it acquires that was subject to property taxes at the time of purchase in an amount equal to the property taxes levied on the land in the year prior to the year in which the Board purchased the land. The bill would require BCPL to make payments in lieu of taxes on land acquired from DNR that was not subject to property taxes at the time of BCPL purchase. Administration officials indicate that the intent is for BCPL to, beginning with the effective date of the bill, make annual payments in lieu of taxes for lands owned by BCPL that were previously acquired from DNR as well as for future land purchases by BCPL from DNR, in an amount similar to the payments that would have been made had DNR continued to own the land. However, it may be unclear whether the payments would apply to purchases BCPL made from DNR before the effective date of the budget act. Further, under the bill, the formula appears to be based on when BCPL, rather than DNR, made the purchase.

**Joint Finance/Legislature:** Delete provision. Rather, specify that, beginning with purchases made as of the effective date of the bill, if any land purchased by BCPL or acquired pursuant to an exchange was at the time of purchase or acquisition subject to assessment or levy of a real property tax or subject to an obligation to make state or federal payments in lieu of taxes, the Board shall make annual payments in lieu of property taxes from the proceeds from the sale of timber or from appropriate trust fund incomes to the appropriate local governmental unit in an amount equal to property taxes levied on the land or state or federal payments in lieu of taxes made in the year prior to the year in which the Board purchased or acquired the land. Delete \$19,200 in 2015-16 and \$16,700 in 2016-17 (a base-level increase of \$2,500 PR in 2015-16 and \$5,000 PR in 2016-17 would be provided to reflect the expected effect of the provision).

[Act 55 Section: 1006m]

**3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]**

	<b>Governor (Chg. to Base) Positions</b>	<b>Jt. Finance/Leg. (Chg. to Gov) Positions</b>	<b>Net Change Positions</b>
PR	- 1.00	1.00	0.00

**Governor:** Delete 1.0 senior accountant position from the Board of Commissioners of Public Lands general program operations appropriation, for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the position (\$106,000 PR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

**Joint Finance/Legislature:** Delete provision. [See "Administration -- Transfers."]

**4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]**

	<b>Governor (Chg. to Base) Positions</b>	<b>Jt. Finance/Leg. (Chg. to Gov) Positions</b>	<b>Net Change Positions</b>
PR	- 1.00	1.00	0.00

**Governor:** Require that all information technology services for the Board of Commissioners of Public Lands be provided by the Department of Administration (DOA).

Delete 1.0 comprehensive services specialist position from the Board's general program operations appropriation, to transfer responsibility for all information technology services to DOA. Funding associated with the positions (\$82,100 annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Board related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

**Joint Finance/Legislature:** Delete provision. [See "Administration -- Transfers."]